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C O N F I D E N T I A L SECTION 01 OF 03 ASTANA 000447

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SUBJECT: KAZAKHSTAN: AK ZHOL LEADER BAIMENOV SAYS PARTY GOT INFUSION OF FUNDING, CRITICIZES BAIL-OUT PACKAGE

REF: A. STATE 19716

[1B](#). ASTANA 0250

[1C](#). ASTANA 0204

Classified By: Ambassador Richard E. Hoagland, 1.4 (b)/(d)

¶11. (C) SUMMARY: On March 5, Alikhan Baimenov, the leader of opposition Ak Zhol party, alleged to us that until recently his party was the target of an "information blockade" by both pro-government and opposition media. The recent easing of this blockade allowed Ak Zhol to re-emerge on the public radar. Baimenov maintained that his party is a threat to the ruling elite because its electorate overlaps with the electorate of the ruling Nur Otan party. Ak Zhol got an infusion of funding, he claimed, from formerly pro-government businessmen. Baimenov railed against the government's program to combat the economic crisis, alleging that the bail-out package will benefit a select few well-placed businessmen close to President Nazarbayev. Baimenov believes that personal interests were behind the recent government take-over of BTA bank. He was doubtful that the government will call early elections in such tough economic times, and he chose not to speculate extensively on which party would become the second party in parliament should the elections be held. Baimenov encouraged the United States to support the development of a Russian-language media sources to counter Russia's influence in the Kazakhstani media market. He offered his insights regarding the influence of senior figures in the Presidential Administration. END SUMMARY.

AK ZHOL'S SUDDEN PUBLIC ACTIVITY

¶12. (C) On March 5, we met with the leader of the Ak Zhol party, Alikhan Baimenov. Baimenov, whose party is viewed by the other opposition parties as the government's pocket opposition, recently made several comments uncharacteristically critical of the government, particularly over its handling of the economic crisis. He also announced his party's intention to hold protest rallies in the spring unless the government reconsiders its anti-crisis program and initiates further amendments to the laws on political parties, elections, and the media. Baimenov claimed that his

party's sudden activity should not be viewed as something out of the ordinary -- rather, Ak Zhol simply had to take some time to regroup after the last parliamentary elections. He claimed that his party was also the target of an "information blockade" from both the pro-government media and the press outlets associated with other opposition parties, notably the newspaper "Svoboda Slova," which is closely linked with the opposition party Azat. Baimenov believes that this "blockade" has eased somewhat, allowing Ak Zhol to re-emerge on the public's radar.

"WE PLAY ON THE PRESIDENT'S FIELD"

¶13. (C) Baimenov confided that Ak Zhol recently gained some "members with funds," people he described as formerly pro-government businessmen who "overcame their fears" to join the opposition. Ak Zhol is a threat to the ruling elite because its electorate overlaps with the electorate of the ruling Nur Otan party, he claimed. While the opposition Azat party, National Social Democratic Party (OSDP), and Communist Party fight for the same group of opposition-oriented followers, "we play on the President's field," he asserted. The majority of Kazakhstanis "don't think about politics," so Ak Zhol's strategy is to reach the population on "softer issues," like culture, the Kazakh language, and nationality. Asked to describe his party's platform, Baimenov said Ak Zhol's goal is to "truly realize the government's Path to Europe program." (NOTE: The Path to Europe is President Nazarbayev's program to establish closer ties with Europe, including through greater economic cooperation and

ASTANA 00000447 002 OF 003

harmonizing Kazakhstani laws with European legislation. END NOTE.)

SHARP CRITICISM OF THE ANTI-CRISIS PROGRAM

¶14. (C) Baimenov did not mince words in criticizing the government's program to combat the economic crisis, alleging that only a select few well-placed business tycoons will see its benefits. In his view, government funds to assist KazakhMys, a copper giant, and the Eurasia Natural Resources Corporation (ENRC) will "flow straight into the pockets" of their respective major shareholders, the pro-Nazarbayev oligarchs Vladimir Kim and Aleksandr Mashkevich. He believes the funds will go abroad to finance Kim's and Mashkevich's overseas investment projects rather than be reinvested in Kazakhstan. Baimenov railed against the lack of transparency and oversight over the government's bail-out package. "Extractive industries should have a responsibility to reinvest at home," he argued. In Baimenov's view, the state should be investing in infrastructure rather than "dabbling in state capitalism."

BTA TAKE-OVER: A CLASH OF PERSONALITIES?

¶15. (C) Asked for his thoughts on the government's recent take-over of BTA bank (ref C), Baimenov turned reflective for a moment and said that "the government can't afford to loose people like Ablyazov," BTA's ousted chairman who is apparently in self-imposed exile in London. He believes that the take-over was primarily driven by a conflict of personalities: "The government could have negotiated, but personal feelings got in the way." (NOTE: Independent political analyst Dosym Satpayev told the Ambassador recently that while BTA's financial vulnerability was the major reason for the government's take-over, the personal dislike between Ablyazov and Prime Minister Masimov certainly played a role (ref B). END NOTE.)

EARLY ELECTIONS UNLIKELY

¶16. (C) Baimenov does not believe the government will call early elections during such tough economic times. He qualified, however, that "everything depends on the Presidential Administration" -- "They may do it just to show

that no other party can pass the seven percent threshold (for representation in parliament)." He ventured that the government would "risk" elections only after the bail-out program reached small and medium enterprises, the mainstay of the middle class. The economic slowdown is a natural benefit for the opposition, but few of the opposition parties have fully harnessed its potential, argued Baimenov. In his assessment, only the unregistered party Alga has the potential to mobilize broad swaths of the population.

AND THE RUNNER-UP IS...

¶7. (C) We asked Baimenov if there is any truth to the speculations that Ak Zhol will be the second party in the Mazhilis (the lower house of parliament) after the next elections. (NOTE: The recently-passed amendments to the election law stipulates that any party that gets the second-highest number of votes automatically gets into the parliament, even if it does not pass the seven percent threshold. Many in opposition circles believe that Baimenov's Ak Zhol has been "picked" by the government to be the second party. END NOTE.) Baimenov demurred from answering directly, saying that Ak Zhol, Azat, and OSDP all have the potential to actually exceed the seven percent barrier. Instead, he floated his own candidate for the "runner-up" -- the pro-government Adilet (Justice) party. Baimenov alleged that Adilet has been copying many of Ak Zhol's statements and policies. "It's like they are our

ASTANA 00000447 003 OF 003

proxy," joked Baimenov, "except they get air time, and we do not."

NEED FOR ALTERNATIVE RUSSIAN-LANGUAGE MEDIA

¶8. (SBU) Baimenov said that the United States should seriously consider doing more to support the development of an alternative Russian-language media in Kazakhstan -- i.e., an alternative to television from Russia, which continues to be the dominant source of news for most Kazakhs. He used the example of recent events in Georgia, Ukraine, and the Baltics. The population was fed Russia's perspective, highlighting "examples of what is wrong with democracy." Baimenov suggested that providing technical help to domestic Kazakhstani news outlets that present alternative points of view or encouraging Western news outlets to enter into partnership with local ones could be some of the ways we could level the media playing field.

MUSIN HAS THE PRESIDENT'S EAR

¶9. (C) In accordance with ref A, we asked for Baimenov's assessment of the influence of senior figures in the Presidential Administration. Baimenov believes the Presidential Administration head Aslan Musin "to be very important in decision-making." "Musin is from the old guard," and there is a generational affinity between him and Nazarbayev, unlike the case with his much younger predecessor, Kairat Kelimbetov (who now heads the Samruk-Kazyna National Welfare Fund). Baimenov sees Musin as even "tougher" than Adylbek Zhaksybekov (who preceded Kelimbetov and is now ambassador to Russia). Baimenov also believes that State Secretary Kanat Saudabayev is highly influential. He is viewed as having done an excellent job as ambassador to the United States and is close to Nazarbayev.

HOAGLAND